

●●● Due Diligence

- Financial
- Commercial
- Legal / Tax
- Pre-Sale / Vendor

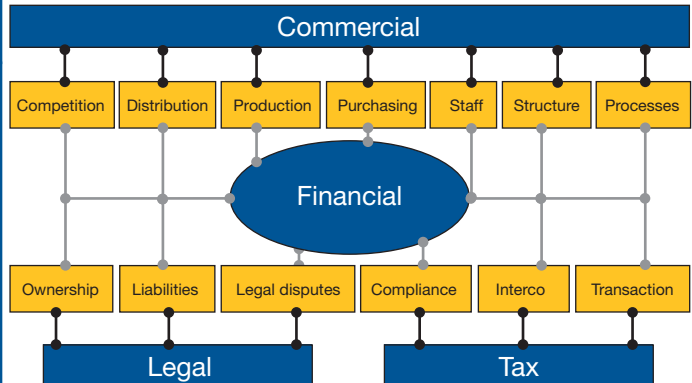
IAS Partner GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Advisory Services

- IAS / IFRS, US GAAP
- Due diligence
- Internal reporting

Assurance Services

- Audit
- Tax
- Valuation

<p><b>Due Diligence</b></p> <p>A due diligence is performed in preparation for an investment decision.</p> <p>In the due diligence, those assertions of the management of the company to be sold that are significant to the investment decision are investigated to determine if they are reasonable. Where applicable, potential risks for the investor are to be identified.</p> <p>Our due diligence services include acting for buyers (investor due diligence) as well as for sellers (pre-sale / vendor due diligence).</p> <p>The due diligence is normally performed to a tight schedule.</p> <p>Timely information about the progress of the project has a significant impact on</p> <ul style="list-style-type: none"> <li>• the ongoing negotiations</li> <li>• the subsequent scope of the due diligence</li> <li>• the price of the planned transaction</li> </ul> <p>Therefore, we maintain constant communications with our clients' decision makers and present interim results on a timely basis.</p>	 <p>Source: IAS Partner</p> <p>An efficient due diligence process takes into account interaction with the other due diligence areas. As a result, it is important to:</p> <ul style="list-style-type: none"> <li>• establish clearly defined interfaces between the financial, commercial, legal, and tax due diligence already during the planning phase</li> <li>• continually communicate with all participants in a due diligence</li> </ul> <p>The financial due diligence operationalizes the results of the commercial, legal, and tax due diligence.</p> <p>The commercial, legal, and tax due diligence analyses that have a potential impact on the financial due diligence include:</p> <ul style="list-style-type: none"> <li>• company strategy</li> <li>• competition and market</li> <li>• product</li> <li>• risk structure</li> <li>• financial consequences of significant contracts and contingent liabilities</li> <li>• analysis of corporate taxes and tax risks</li> </ul> <p>Our due diligence services consist of the following components:</p> <ul style="list-style-type: none"> <li>• Financial due diligence</li> <li>• Commercial due diligence</li> <li>• Legal and tax due diligence</li> <li>• Pre-sale and vendor due diligence</li> </ul>
<p><b>Due Diligence Plan</b></p> <p>Before the begin of the due diligence itself, we develop a customized due diligence plan. The due diligence plan</p> <ul style="list-style-type: none"> <li>• is oriented towards the goals and requirements of our clients</li> <li>• varies with respect to content as well as scope (reasonability analysis or more thorough analysis in critical areas)</li> <li>• is based on information about the target available at the time we are engaged to perform the work</li> <li>• includes all due diligence analyses agreed upon with the client</li> <li>• is constantly updated during the course of the project</li> </ul>	

## Financial Due Diligence

The financial due diligence analyzes the forecast balance sheets, income statements and cash flows.

We offer the following service modules:

- analysis of historical data
- analysis of budget history
- review of reasonability of the forecast



**Continuous Communication!**

Source: IAS Partner

## Analysis of Budget History

Analyzing the budget history provides the basis for assessing the reasonability of the forecasts.

We specifically investigate the following:

- comparison of historical budgets with actual results
- analysis of deviations
- assessment of possible consequences for the current forecast

## Reasonability of the Forecast

Based on the results of the analysis of historical data and of the historical forecasting accuracy, we analyze the following areas:

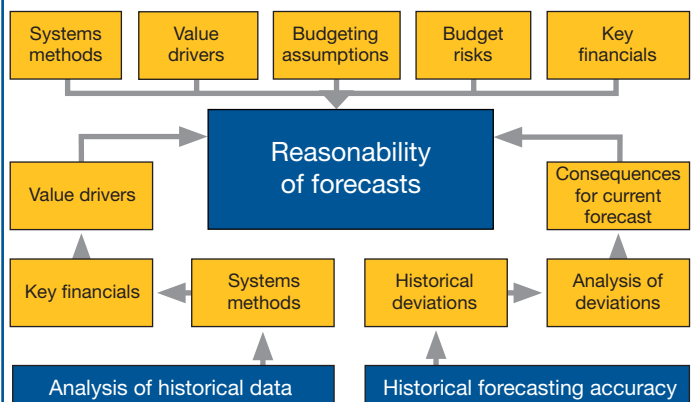
- logical technical structure and mechanical accuracy of the budgeting system
- significant budgeting assumptions
- sales forecasts
- expense budgets
- cash flow forecasts
- forecast balance sheets
- budget risks

## Analysis of Historical Data

The goal of analyzing historical data is to identify the critical revenue and expense drivers, unusual accounting policies, as well as important trends and fluctuations.

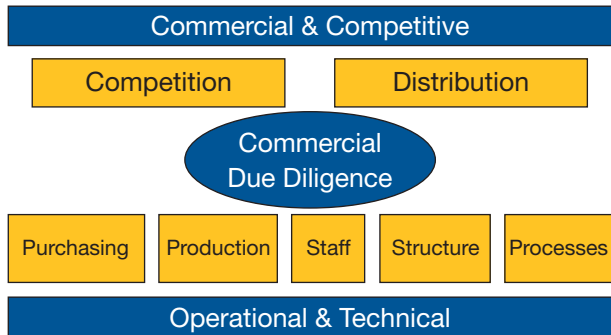
We analyze mainly the following areas:

- reporting system
- accounting policies and methods
- sales revenues
- expenses
- financial position
- cash flows



Source: IAS Partner

**Commercial Due Diligence**

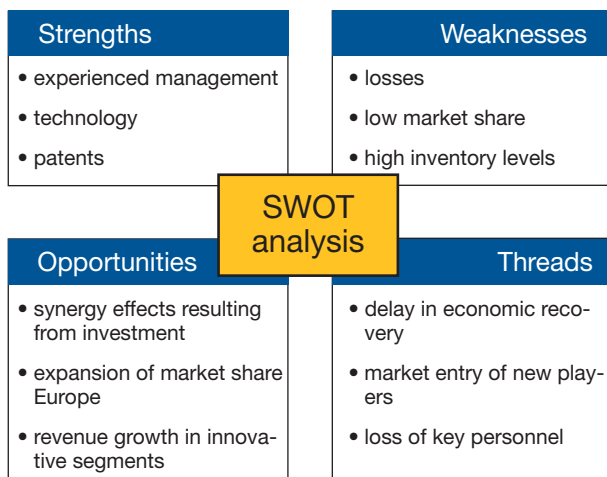


Source: IAS Partner

The scope of the commercial due diligence includes the risks and opportunities of the business, the market potential, the technology and the products (copyrights, patents, technological position in the competitive environment, risks of competitive products entering the market, etc.).

Our commercial due diligence services include the following analyses:

- corporate goals and -strategy
- business risks
- critical success factors
- strengths and weaknesses (SWOT analysis)
- economic fundamentals
- products or services
- customers
- market and competition



Source: IAS Partner

**Legal und Tax Due Diligence**

The legal and tax due diligence covers legal and tax risks based on existing contractual arrangements, including in particular the evaluation of contingent liabilities.

Our legal due diligence services relate to the following analyses:

- corporate legal structure
  - articles of incorporation
  - equity transactions
  - related companies
  - strategic partnerships
- intercompany agreements
- industrial property rights
- employment legislation issues
  - management contracts
  - significant employment contracts
  - employee stock ownership plans
  - pension plans
- external contracts
  - purchasing agreements
  - distribution agreements
  - licensing agreements
  - insurance contracts
- situation with respect to public law
- legal disputes
- corporate taxes (tax due diligence)
  - income taxes
  - indirect taxes
  - intercompany transactions

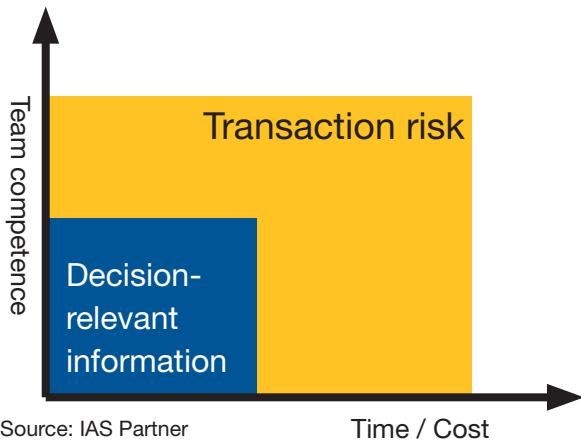
In the area of legal and tax due diligence, we cooperate with first-rate law firms.

<p><b>Pre-Sale und Vendor Due Diligence</b></p> <p>One critical success factor in negotiations with investors and strategic partners is the professional preparation of the transaction on the sellers' side.</p> <p>In addition to the classic due diligence, there is a growing need for analyses and advice on the part of potential sellers of companies.</p> <p>We offer the following services for sellers:</p> <ul style="list-style-type: none"> <li>• Pre-Sale Due Diligence</li> <li>• Vendor Due Diligence</li> </ul>	<p><b>Vendor Due Diligence</b></p> <p>A vendor due diligence is performed at the request of the seller. The vendor due diligence report is provided to potential buyers as an information base for the planned transaction.</p> <p>A vendor due diligence has the following advantages:</p> <ul style="list-style-type: none"> <li>• the seller controls the process</li> <li>• a more rapid selling process</li> <li>• by lowering informational risk, price discounts are reduced and contract negotiations are simplified</li> <li>• the negative impact on day-to-day operations is reduced</li> <li>• the exclusivity for potential investors can be moved back in time</li> <li>• surprises for the seller can be avoided</li> <li>• the company is presented without bias</li> <li>• the reduction in transaction costs as a result of only one due diligence being performed increases the number of potential investors</li> </ul>
<p><b>Pre-Sale Due Diligence</b></p>	
<p>The pre-sale due diligence (sometimes called reverse due diligence) includes consulting services to the potential seller with respect to the professional preparation for the selling process.</p> <p>We offer the following services:</p> <ul style="list-style-type: none"> <li>• Quick-rating and rough feedback on the investor package</li> <li>• evaluation and revision of the business plan and financial forecast</li> <li>• compilation of a list of documents to be made available in the due diligence process</li> <li>• assistance with the preparation of additional documents to be made available</li> <li>• identification of possible investor enquiries before the investor due diligence process begins</li> <li>• assistance with answering possible investor enquiries</li> <li>• organization of the investor due diligence process</li> </ul>	<p>A vendor due diligence can cover all components of an investor due diligence. The scope varies for each engagement.</p> <div data-bbox="829 1500 1412 1915" data-label="Diagram"> <pre> graph TD     A([Advantages]) --&gt; B[Seller controls transaction]     A --&gt; C[minimizes interruptions to operations]     A --&gt; D[maximizes transaction value]     </pre> </div> <p>Quelle: IAS Partner</p>

**Our Client Service Team**

One of the very critical success factors of a due diligence lies in the quality of the due diligence team.

In addition to technical expertise in national and international financial reporting, extensive industry experience and knowledge of company specific process flows and -risks are essential for the due diligence) process.



**Our client service teams**

- have years of experience, gained with international audit firms and others, with a large number of due diligence transactions of all sizes
- know the industry risks from several years in the operational management of international companies
- at a minimum, have earned their professional designations as CPAs or tax advisors

**Our References**

IAS Partner is one of the leading providers of consulting services in the area of due diligence analyses. The list of successful due diligence transactions ranges from start-ups to publicly listed international companies. Our industry experience ranges from service, IT, and media to pharmaceuticals and manufacturing.





## Our Profile

IAS Partner is an audit and tax advisory firm. We specialize in our clients' international requirements and needs in the areas of finance and accounting.

Our advisory services focus on:

- IAS / IFRS, US GAAP
- Due diligence
- Internal reporting

We provide services to companies of all industries and sizes (from start-ups up to publicly listed companies) on small to complex projects.

We search for cost effective solutions, integrate client staff and support transfer of know-how. We train client staff in goal-oriented workshops.

We also provide interim management services in all service areas.

In addition to our advisory services, we also provide classic assurance services such as audit, tax, and valuation.

## Advisory Services

IAS/IFRS, US GAAP	Due Diligence	Reporting
Conversion	Financial	Budgeting
Compilation	Commercial	Controlling
Workshops	Legal / Tax	Fast Close
Audit and Review	Pre-Sale / Vendor	Risk Management

## Assurance Services

Audit	Tax	Valuation
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**Get to know us**

We look forward  
to further discussing our services with you.

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Steuerberatungsgesellschaft

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